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Site Selection Criteria

MSHDA Direct Lending
SITE SELECTION CRITERIA

It is often said that the key to success in real estate is "location, location, location".

Although this phrase means different things to different people, it is generally agreed that the MSHDA should not finance developments that do not meet reasonable and prudent site selection criteria. The following factors are used to determine if a site is an acceptable location for a MSHDA financed housing development. They are not listed in order of priority.

1. Sites must be appropriate for residential use, in proximity to downtown or commercial centers. Parcels must be near existing residential uses, preferably single family, which reinforce the feeling of "neighborhood." The residential uses should be in good condition or the subject of a realistic plan to improve them to a good condition. Areas impacted by high concentrations of very low income housing, which is deteriorating, or in jeopardy of deterioration will not satisfy this criterion. However, proposals to reintroduce housing into renewal areas of Michigan's urban centers may be accepted absent other residential uses in the immediate area. Acceptance is contingent upon funded community initiatives to revitalize areas adjacent to the site. A site will more likely be accepted where the proposed development will build on or complement existing anchor institutions.
2. Sites should exhibit no obvious negative environmental influences, which cannot be corrected or acceptably mitigated. Environmental impacts include, but are not limited to: excessive noise or physical hazard from railroad, vehicular, or air traffic; high tension power lines or high pressure natural gas transmission lines; sanitary landfills or salvage yards; sewage treatment plants; stored hazardous materials on or near the sites; buried or spilled hazardous wastes; operating oil wells; mine shafts; gravel pits; wetland designation; and prime agricultural soils classification.

The Authority will not finance projects to be located in a 100-year flood plain unless all necessary governmental approvals are obtained and all buildings, parking areas, and pedestrian and vehicular ingress and egress will be elevated at least one foot above the flood plain elevation when the project is finished.

3. Other environmental factors to consider include wetlands, Great Lakes, wild and scenic rivers, prime agricultural soils, historic districts, and lead based paint. Environmental clearance procedures vary depending upon whether the proposal involves new construction or rehabilitation, the use of federal funds, and occupancy by children. Before selecting a site, please contact MSHDA development staff at 517 373-6880 or refer to MSHDA's Phase I requirements at www.michigan.gov/mshda.

Potential delays in processing, additional design requirements, and significant development costs may occur if the following environmental issues are encountered:

- Sites in 100-year flood plains or sites involving wetlands in the area proposed for construction.
- Sites within one mile of jet capable airports (two miles or further if located within the main landing or take-off paths for aircraft.

- Sites with significant historic value.
 - Sites with any significant amount of soil contamination or with a history of previous use such as a gas station, paint manufacturer or sales, dry cleaning, auto repair or salvage, heavy manufacturing, etc, which present a high risk of residual soil contamination.
 - Buildings constructed before 1978 are subject to lead-based paint regulations.
 - Sites within 600 feet of railroads or within 400 feet of major underground gas transmission lines or underground storage.
 - Sites in heavy traffic or high crime areas.
 - Sites within 500 feet of the Great Lakes or a wild and scenic river.
4. Proposals involving federal funds for occupied sites should involve no permanent relocation. Funding for relocation costs is generally not available from MSHDA, although proposals involving temporary relocation at minimal cost may be considered on a case-by-case basis.
 5. Parcels must have all necessary utilities. The sites must be served by a municipally-owned water supply, as well as a storm and sanitary sewer system, available and adequate for the number of units proposed. Private water systems will not be approved except for lawn irrigation. Storm water detention/ retention basins to control the discharge to sewer systems are desirable. Sites requiring off-site utility extensions or sewage lift stations may be considered. However, all sites are appraised as "ready to build," and the cost of unusual on-site and off-site improvements may be included in the mortgage only to the extent that the land acquisition cost is less than the appraised value. (The Authority recognizes buried rubble and debris in the appraisal of urban renewal sites as a normal site condition.)
 6. Sites must be of a reasonable size and configuration to permit acceptable and professional site planning with adequate open space, circulation, and parking, exclusive of parking in primary drives. Long and narrow, so-called "bowling alley" sites requiring a single point of access and an extensive cul-de-sac are not acceptable. Sufficient space must be available to accommodate fire safety equipment, solid waste removal trucks and school busses, where applicable. The proposed project should not be out of scale relative to current and proposed adjacent land uses.
 7. Sites are required to have sufficient frontage on a paved public street to 1) be able to have a self-advertising quality, 2) allow for adequate ingress and egress where ingress or egress is necessary from that paved road, 3) allow for adequate visual separation from other adjacent uses, and 4) allow for adequate signage, lighting, and landscaping so as to establish a pleasing and noticeable residential presence.

With regard to the foregoing criteria, it should be noted that the traffic speeds permitted on the streets and the density and nature of surrounding uses may have a bearing on the amount of frontage that is required in a given situation. Also, these requirements are not applicable with respect to second or later phases of successful multifamily residential projects, which have (broadly defined) commonality of ownership and management with previously existing phases.

8. The surrounding uses when viewed from the site itself should usually be well maintained and aesthetically pleasing. Sites will be rejected for proximity to dumps, auto salvage yards, and heavy industrial uses. Sites may also be rejected for deteriorating or blighted residential uses, massive parking lots or storage yards, unsightly loading zones at retail facilities, and similar uses unless screening can be put in place which adequately protects the proposed development site from the negative aspects of the adjacent use.
9. Sites should have easy and safe ingress and egress. Areas of concern include difficult left-hand turns against prevailing traffic, excessive curb cuts surrounding the entrance to the development, and unreasonable lines of sight at the entrance. Excessive traffic congestion should be avoided. Examples include major employment parking lots, regional shopping malls, and multi-screen theaters.
10. Good vehicular and pedestrian access should be available for residents to public transportation and community resources such as grocery shopping, pharmacy, banking, employment opportunities, religious and educational institutions, medical and social services, recreational facilities and community parks. Sites should allow for visually proud orientation of the housing to the street and surrounding neighborhood. Surrounding uses, when viewed from the housing should be well maintained and aesthetically pleasing. Other desirable site characteristics include some degree of physical attractiveness such as mature vegetation, rolling topography, and water frontage.
11. In cases where more than one site is submitted in a single market area or where a site does not meet all of the foregoing criteria, other relevant considerations may be taken into account. Other relevant considerations include but are not limited to a) availability of and/or close proximity to neighborhood and community services, schools, parks, libraries, other special amenities geared to the population to be served by the proposal, b) other "desirable" site characteristics described in 10 above, and c) location within a portion of the community exhibiting strong economic growth but lacking affordable housing.

Small communities (generally with a population of less than 10,000) with a demonstrated housing need and strong market but lacking affordable housing may not have sites available that meet all of the criteria. In such situations, the best available site may be selected. The developer must describe and compare all available sites and demonstrate that the proposed site is the best available.